



ST. CHARLES PARISH

DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM

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V.J. ST. PIERRE, JR.
PARISH PRESIDENT

COREY FAUCHEUX
DIRECTOR

TO: V.J. St. Pierre, Jr., Parish President

FROM:  Corey Faucheux, Director of Economic Development & Tourism

SUBJECT: **2014 ANNUAL REPORT**

2014 was an economic roller coaster. The year began with tremendous uncertainty and pessimism. The looming financial crisis caused by the Biggert-Waters Act weighed heavily on St. Charles Parish and South Louisiana. Then Congress passed the Homeowner Flood Insurance Affordability Act (HFIAA) affording the relief many hoped for. Last year, plunging oil prices jeopardized billions of dollars of proposed investment across the state and raising questions about Louisiana's near-term economic stability. Additionally, local permitting figures recorded housing and commercial totals less than the previous years. Despite these economic challenges, St. Charles Parish was able to garner headlines by successfully competing for high-profile projects that will lead to billions of dollars of capital expenditures and hundreds of high-paying job opportunities for local residents. By year's end, St. Charles Parish's economic position was diametrically different compared to when the year started.

Casting an eye on 2015, the economic development accomplishments in 2014 will better position St. Charles Parish for continued success by producing an economic tailwind that will facilitate further growth. The introduction of new companies to the local business community will add to the diversification of the local economy, while existing businesses will continue to find St. Charles Parish as the ideal place to expand operations. The number of jobs created by new firms is expected to be equal to or slightly greater than the jobs created by resident businesses, an atypical occurrence versus years past. Labor statistics are expected to remain healthy as Unemployment and Labor Participation Rates are expected to linger below regional, state, and national averages. The Department will continue to implement entrepreneurial and small business development initiatives, foster workforce development strategies and cultivate

an attractive business climate that will remain attractive for business investments. Selected highlights of 2014 reveal the successes posted by the Department.

Business Attraction

2014 started with an announcement by Blue Bell Creameries that they will proceed with their plans to construct a new 14,000 s.f. service center in Esperanza Business Park in Luling. The twelve (12)-person facility is under construction and is expected to begin operations in May 2015. Bent's RV completed construction of its new eleven (11)-acre sales center on Hwy. 90 in Paradis. Soon after opening, Bent's company officials expressed its intention to proceed with the purchase of the adjoining acreage to accommodate anticipated growth. St. Charles Parish received national attention in May when AM Agrigen announced its intention to construct a \$1.2 billion fertilizer plant in Killona. Construction of the facility is expected to begin by the Fourth Quarter of 2015, with start-up in 2017. The facility, the company's first in the U.S., will employ approximately 155 workers when fully operational. One of the year's biggest announcements occurred just before Christmas when Kongsberg Maritime announced it had selected St. Rose for the home of its new office and training facility. The Norwegian company is the world's leading supplier of dynamic positioning, marine automation, subsea navigation and surveillance systems for the offshore industry. The international technology firm will invest approximately \$18 million in the new 160-person facility. Although Kongsberg is already operating in James Business Park, the Department had to successfully compete with other communities for the project. The aforementioned projects will lead to over \$1.25 billion of investment and add over 250 new, direct jobs to the local economy.

Business Creation, Retention & Expansion

Industrial expansions under construction slowed from its record-setting pace compared to the previous years. However, billions of dollars of expansion projects were announced or started in 2014, a harbinger that another upsurge in industrial activity and spending is imminent. Valero continued to spend millions conducting due diligence on a potential \$700 million methanol facility in Norco. Local company officials expect a decision to proceed to be given by the summer of 2015. Entergy announced it is considering a \$1 billion expansion of its Little Gypsy electrical generation facility. The company must first complete a rigorous, two-year RFP (Request for Proposals) process administered by the Public Service Commission. A decision to proceed is expected in 2017, with potential third parties also considering multi-million dollar electrical generation projects to serve the South Shore of the Greater N.O. area. Bunge began construction on its new \$140 million dock facility in Destrehan. Momentive announced that it will co-locate a \$38 million manufacturing unit within Monsanto's Luling facility. James Marine, a barge repair and service company announced a \$5 million expansion of its Hahnville riverfront facility, which is expected to add at least another thirty (30) workers. Quixote Studios continued to expand its Airline Drive "campus," adding production office space and additional studio space. Most notably, the St. Rose soundstage secured the filming of the "Astronaut's Wives Club" television series for ABC Studios. The series is expected to air in the first half of 2015. Overall, local

employers announced approximately \$2 billion worth of industrial projects in 2014, which will generate over 180 job opportunities for local residents.

The Department collaborated with GNO, Inc. and LED to execute numerous retention and expansion visits with local companies which are considered economic drivers of the state and regional economy.

Growing small businesses and assisting entrepreneurs continued to be one of the mainstays of the Department's economic development efforts in 2014. The Edible Enterprises Food Technology Center in Norco remains the only food incubator in the Greater New Orleans area and a valuable regional asset to those individuals considering starting their own food-related businesses. Last year, the Department partnered with New Orleans Food and Farm Network (NOFFN), a non-profit with a mission of growing the local food economy. NOFFN is charged with the task of expanding the footprint of Edible by implementing outreach strategies into the Greater New Orleans area.

Economic Indicators

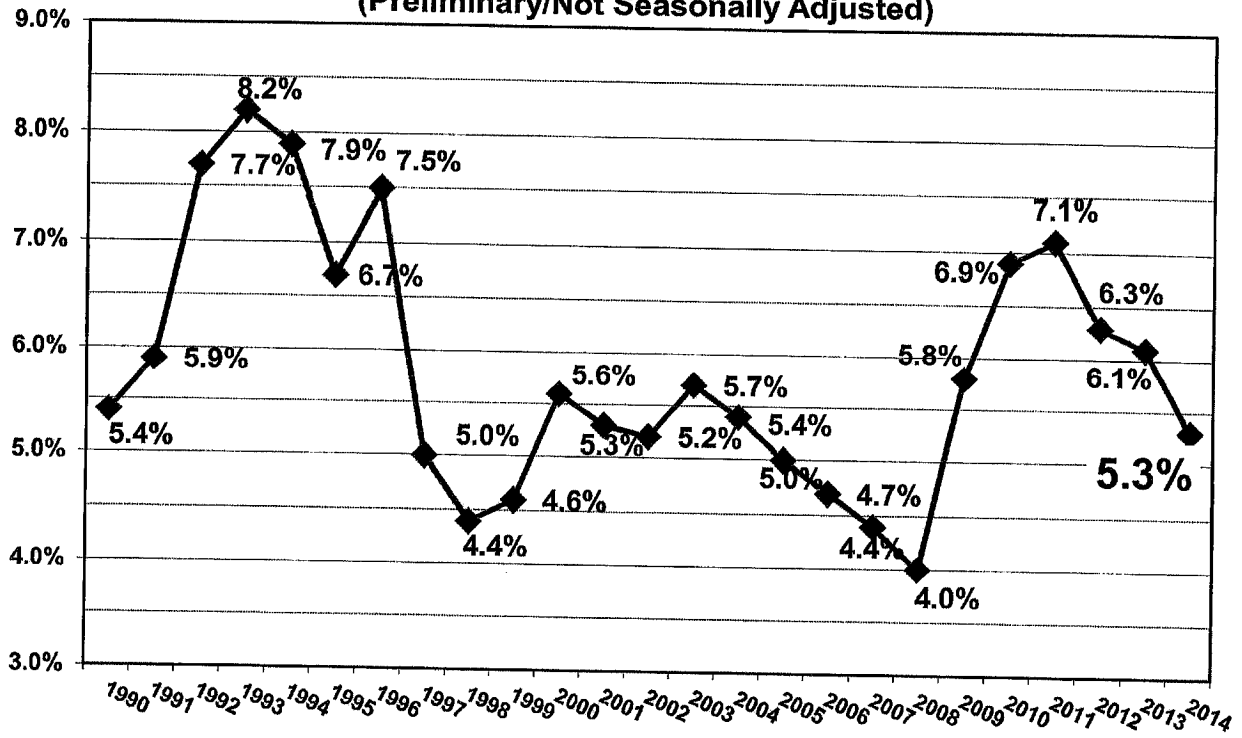
Labor data for St. Charles Parish remained positive. The Parish's Unemployment Rate continued its solid trend of outpacing comparative indicators. The 2014 Average Annual Unemployment Rate was 5.3%, a 13% improvement from 2013. The local unemployment figure remained lower than the statewide and regional averages. Also impressive is the fact that the Parish's Labor Participation Rate leads the Greater N.O. Workforce Region and is substantially better than the State's. The construction sector accounted for substantial gains in employment numbers with approximately 374 more people employed locally. Average wages paid by St. Charles Parish employers rose 2% to a total \$1,240 per week or \$64,480. The Utilities and Manufacturing sectors are highest in annual wages paid with totals of approximately \$119,000 and \$112,000 respectively.

The Residential Construction sector experienced a slight slowdown in 2014. One hundred twelve (112) residential permits were issued by the Department of Planning & Zoning, down three (3) from 2013. The local Commercial Construction sector also experienced a slowdown with eight (8) less permits issued compared to 2013. Sixty (60) Home Occupation permits were issued in 2014, down one (1) from the 2013 total. There were eighty-five (85) Change of Use/Occupancy (COU) permits issued last year, a substantial decrease of twenty-two (22) or roughly 21% from 2013.

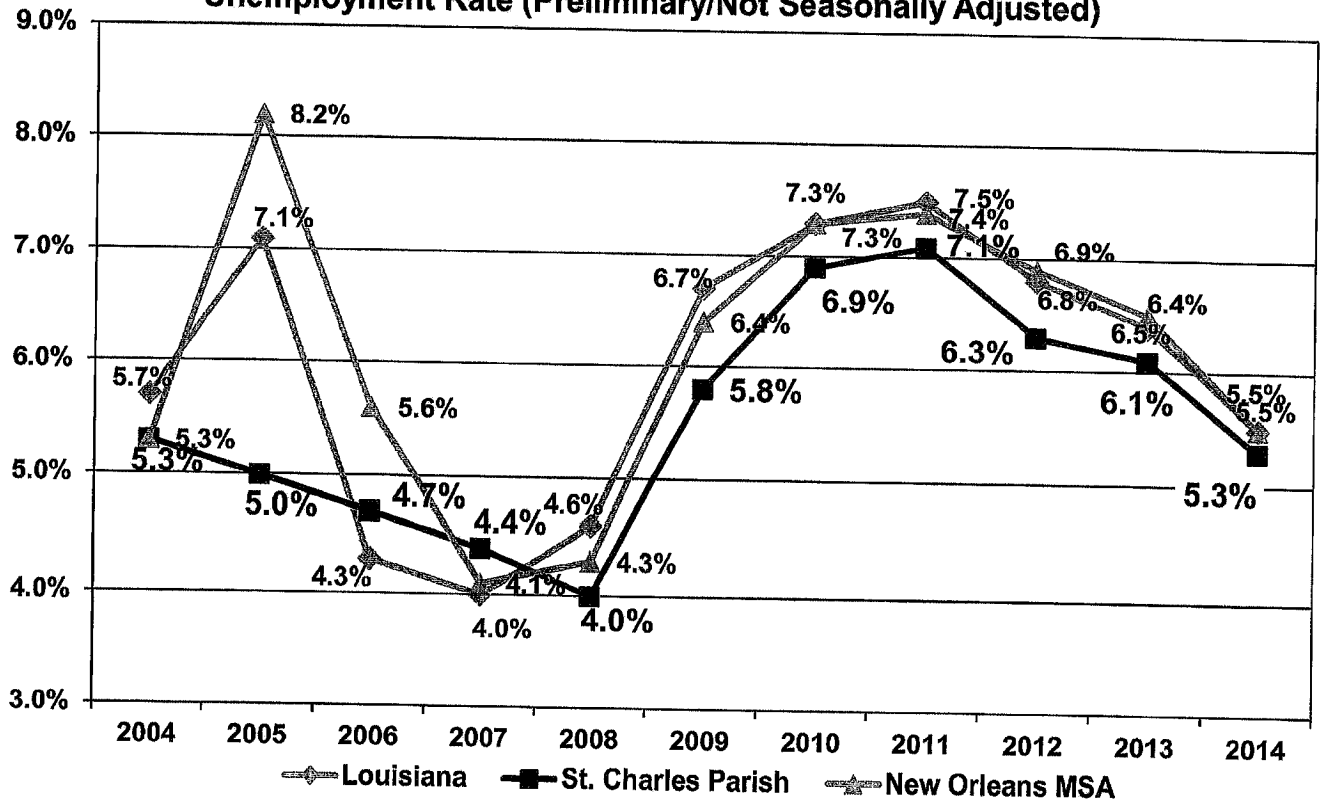
The Sales/Use Tax Office recorded one hundred (100) new business registrations in 2014, down two (2) from 2013. Forty-seven (47) business closures were posted by the Sales Tax Office, fourteen (14) less than the previous year.

In 2014, the Department of Economic Development and Tourism received approximately 336 information inquiries, including fifty-one (51) requests for property (land & building), one (1) more than in 2013.

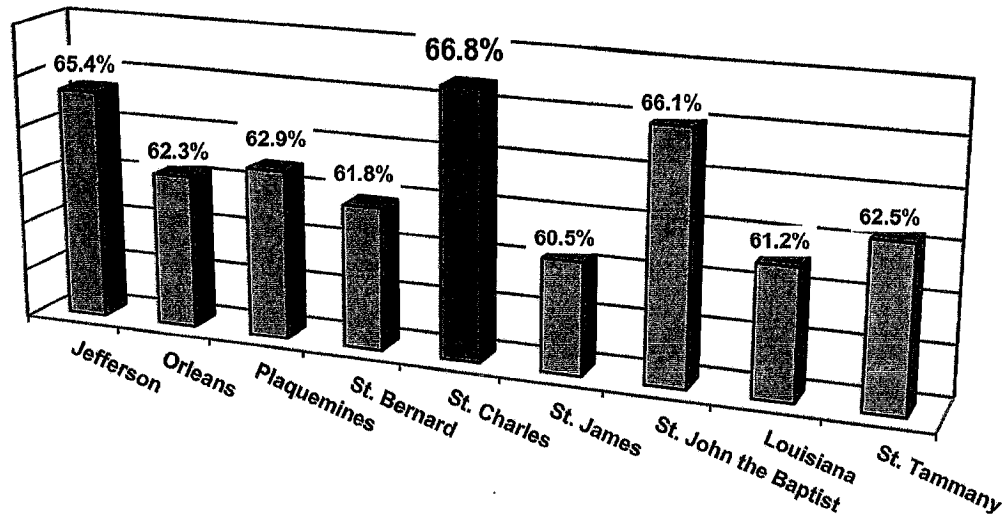
**St. Charles Parish
Annual Average Unemployment Rate
(Preliminary/Not Seasonally Adjusted)**



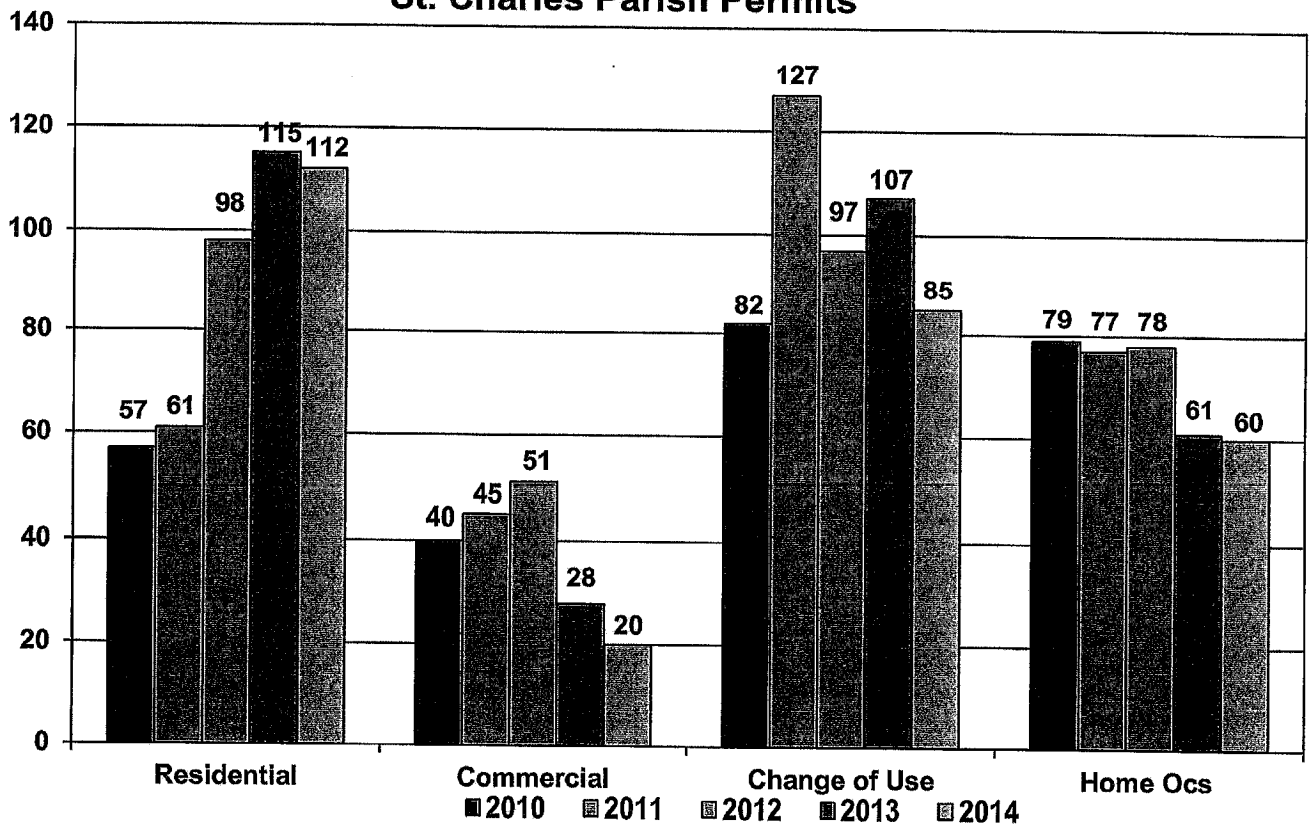
**2004-2014 Annual Average
Unemployment Rate (Preliminary/Not Seasonally Adjusted)**

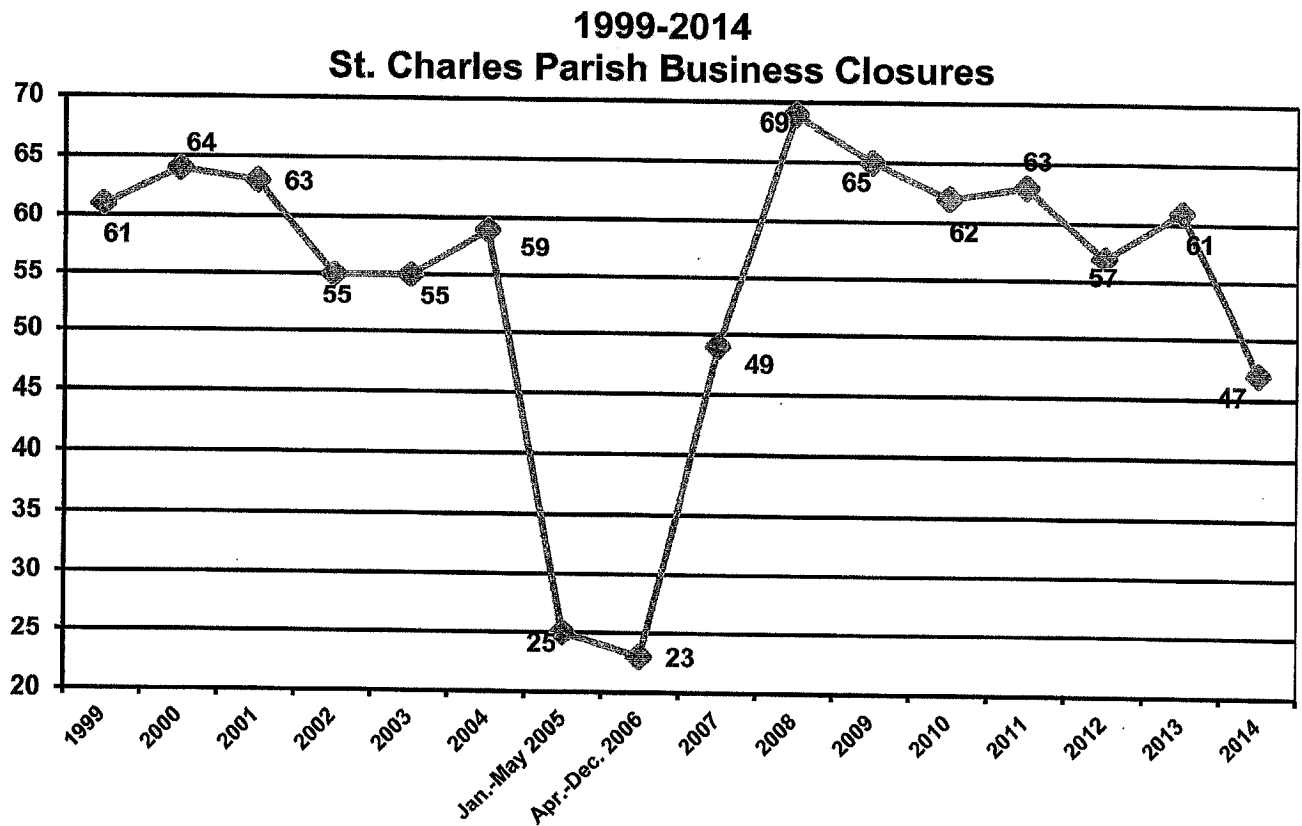
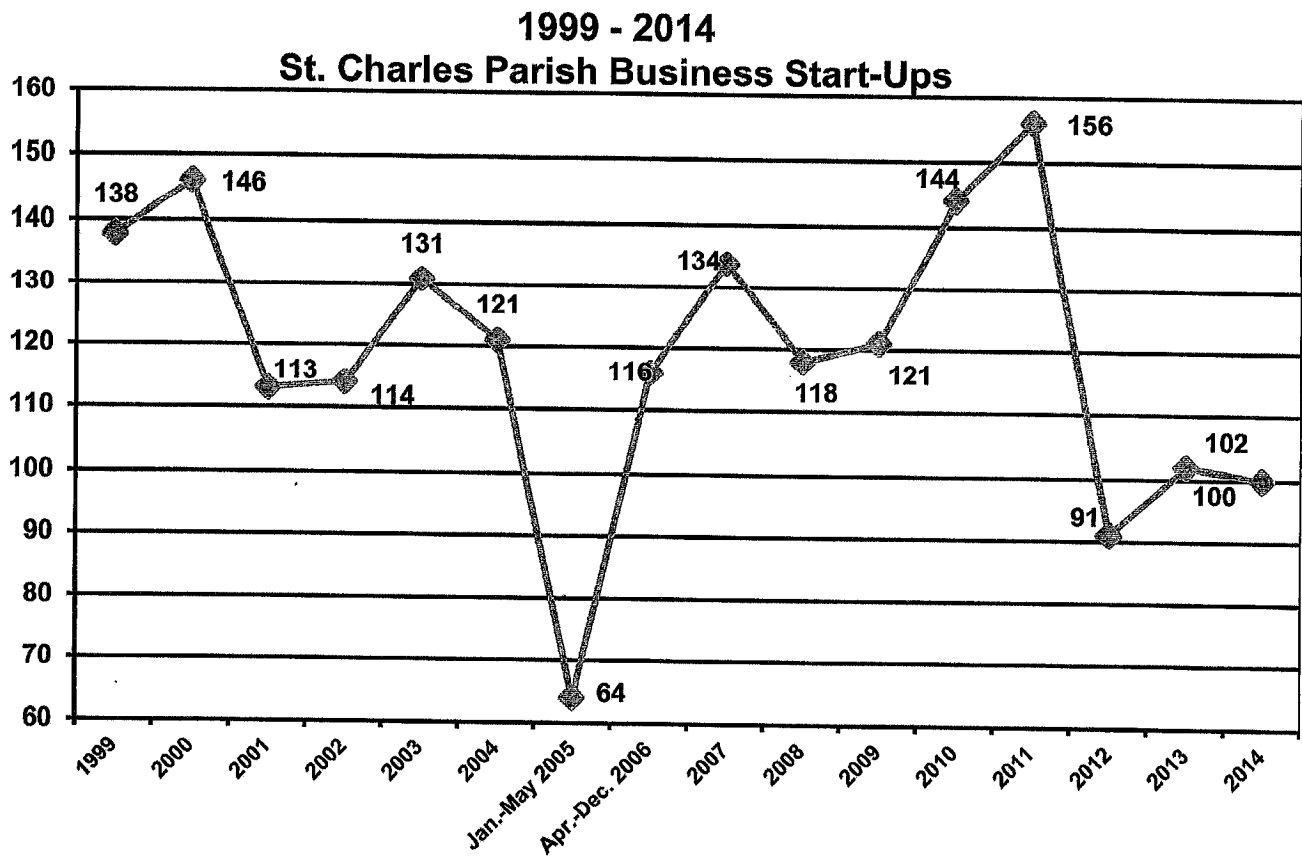


Labor Force Participation Rates

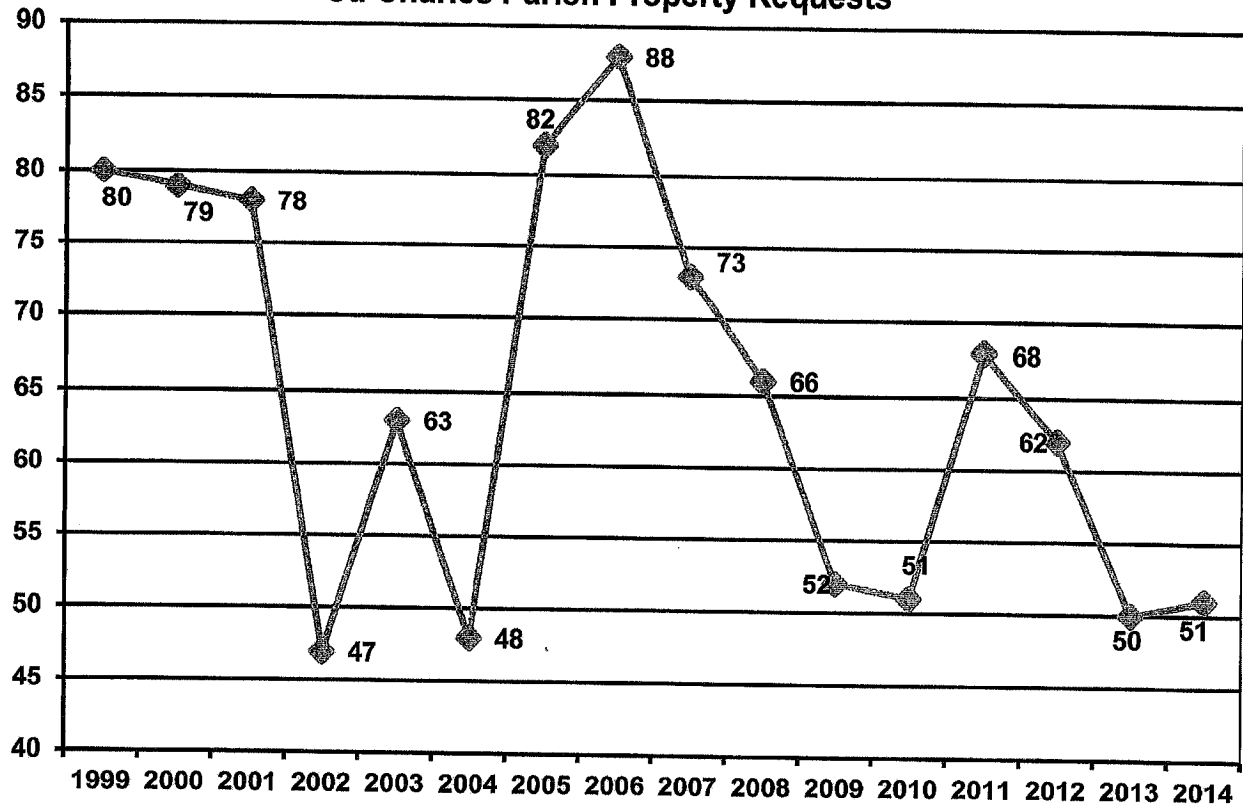


St. Charles Parish Permits

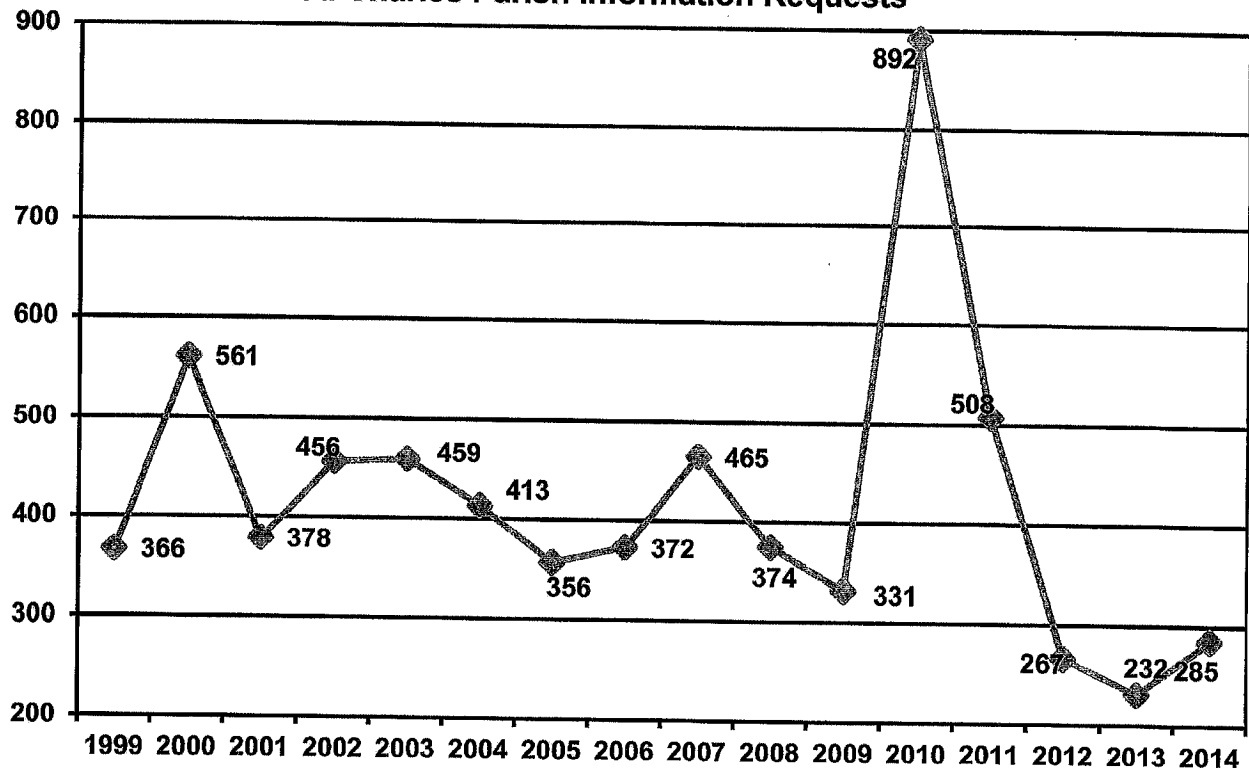




1999 - 2014
St. Charles Parish Property Requests



1999 - 2014
St. Charles Parish Information Requests



Tourism

Major developments in the Department's visitor attraction strategies occurred in 2014. After many years of consideration and planning, the St. Charles Parish Tourist Information Center Office was relocated to the grounds of Destrehan Plantation, within the Welcome Center and Gift Shop of the Parish's most popular tourist attraction. The new facility was opened in July with tremendous positive feedback from the RSVP volunteers who are the ideal ambassadors greeting visitors daily. The surge in visitors to the new Tourist Office is a testament to the effectiveness of the new location. Despite being closed for a little more than one month, the Tourist Information Center Office assisted 1,784 visitors, over 1,000 more than in 2013. Other local tourism data also reveal steady growth in the local tourism industry. Destrehan Plantation witnessed its annual visitor total continue to rise. In 2014, 37,639 people visited Destrehan Plantation, up about 7% from 2013. The Department continued to support the German Coast Farmers' Market (GCFM). In 2014, slightly fewer than 28,000 patrons visited both GCFM locations, an increase of 1,000 shoppers versus the previous year. The East Bank market accounted for nearly 70% of the total with an annual patron count of just below 20,000. The Tourist Information Center assisted 145 visitors in 2013, an increase of twenty-two (22) from 2012.

Economic Development Council

In 2014, the Economic Development Council (EDC) continued its mission of overseeing the planned growth and development of the parish. The EDC undertook several matters intended to strengthen local economic conditions.

Activities

- At the April 16, 2014 meeting (along with an e-mail vote), the membership of the EDC voted to support the St. Charles Parish Hospital May 3, 2014 ballot initiative. St. Charles Parish Hospital's request to continue to levy a two and forty-eight hundredths (2.48) mills tax on all property subject to taxation in said District (an estimated \$2,869,204 reasonably expected at this time to be collected from the levy of the tax for an entire year), for a period of ten (10) years, beginning with the year 2016 and ending with the tax year 2025, for the purpose of constructing, operating, and maintaining hospital facilities within said District, including ambulance service for both the east and west banks of St. Charles Parish. Although the membership acknowledges there are critical financial challenges facing St. Charles Parish Hospital that need to be addressed, the EDC believes the maintenance and expansion of ambulance services is essential in a growing, heavily-industrialized parish like St. Charles. Additionally, the enhanced emergency service will be provided by extending existing millages and not by increasing the total mills currently assessed to property owners. The proposed expansion of the facilities and services offered by St. Charles Parish Hospital are identified in SCOPE, the parish's strategic economic development plan.

- In April, the EDC voted to join GNO, Inc. in sending a letter of support to members of the Louisiana Legislature urging the prompt passage of Louisiana HB 490, which would protect the state's Coastal Protection and Restoration Fund (Coastal Fund) by ensuring that the state's Coastal Fund is used solely for coastal restoration purposes, as intended.
- In August, the EDC voted to join GNO, Inc., working in conjunction with the National Ocean Industries Association and the Consumer Energy Alliance, in sending a letter of support to the Bureau of Ocean Energy Management (BOEM) in support of expanding oil and gas exploration in the Outer Continental Shelf (OCS) and urges BOEM to include all twenty-six (26) OCS planning areas in the development of the Draft Proposed Program.
- In November, the EDC voted to send letters in support of industrial growth encouraging the Louisiana Public Service Commission (LPSC) to act in a timely fashion when Entergy's Louisiana companies make requests for approval of the addition of new generation (whether brick and mortar generation or purchase power agreements with third parties) and transmission.
- Letters were sent to the following:
 - Louisiana Public Service Commission
 - Commissioner Eric Skrmetta
 - Commissioner Scott Angelle
 - Commissioner Lambert Boissiere, III

Guest Speakers for the EDC Meetings throughout the year included:

January 15, 2014

*Tab Troxler, St. Charles Parish Assessor

Topic: Assessor's Office Update and LAT 5 - Personal Property Report

March 19, 2014

*Fred Martinez, Chief Executive Officer, St. Charles Parish Hospital

Topic: St. Charles Parish Hospital Millage Renewal Presentation

June 18, 2014

*Fred Martinez, Chief Executive Officer, St. Charles Parish Hospital

Topic: St. Charles Parish Hospital/Ochsner Partnership

August 20, 2014

* David Gaines, Chief Executive Officer - System Retail Services & System Vice President of Public Affairs, Ochsner Health System

Topic: St. Charles Parish Hospital/Ochsner Health System Partnership

*Marny Stein, St. Charles Parish Department of Planning & Zoning

Topic: Paul Maillard Road Revitalization Plan

September 10, 2014

*Nancy Robert, Destrehan Plantation

Topic: Destrehan Plantation Master Plan Update

*Marny Stein, St. Charles Parish Department of Planning & Zoning

Topic: Paul Maillard Road Revitalization Plan Follow-up

December 17, 2014

*Greg Albrecht, Chief Economist, Louisiana Legislative Fiscal Office

Topic: Louisiana Budget Overview